

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 2822 – SB 2839

April 29, 2010

SUMMARY OF AMENDMENTS (014314, 018017): Amendment 014314 adds language making the bill applicable to any existing state contract that would be renewed or extended. The original bill applied only to newly procured state contracts. Amendment 018017 adds language that authorizes the restriction on state procurement of contracts involving call centers to be voided when there are no responsive and responsible bidders for the request for proposal (RFP).

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures – Exceeds \$100,000/Over Time

Increase Local Expenditures – Exceeds \$100,000/Over Time

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:

Increase State Expenditures – Not Significant

Increase Local Expenditures – Not Significant

Assumptions applied to amendments:

- Extending the bill to include existing contract renewals with amendment 014314 could render some existing state contract vendors out of compliance with this bill, which would prohibit the state from renewing or extending the existing contracts. If this occurs, the number of potential qualified vendors would be further reduced which would lead to higher contract costs for the state due to further reduced competition. However, such additional amounts are unknown and difficult to quantify.

- Lifting the contract procurement restriction involving contracts with call centers when there are no responsive and responsible bidders will allow the state to increase the number of bids for such contracts thus increasing competition among vendors. As a result, any increase to state and local government expenditures is estimated to be not significant.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

/rnc